

Comments of the Coalition of Service Industries on Electronic Commerce and World Trade Organization Negotiations

Creating a global environment that spurs the growth of electronic commerce should be an important objective for U.S. trade negotiators in the current round of services negotiations in the World Trade Organization.

This goal can be achieved by agreeing on rules that support the maintenance of open markets for electronic commerce; by securing in the GATS negotiations, scheduled commitments across all sectors and modes of supply; and by obtaining specific GATS commitments to market access and national treatment in a cluster of services essential in the value chain of e-commerce business to business and business to consumer transactions.

I. Rules to Support Open E-Commerce Markets

The WTO should seek to promote an open commercial environment for electronic commerce and prevent the development of new barriers. This effort was begun in the WTO's Electronic Commerce Work Program launched in 1998, and should be renewed and advanced.

The renewed WTO Electronic Commerce Work Program should focus on securing consensus on:

- a standstill commitment not to impose new restrictions during the course of negotiations that affect e-commerce,
- a commitment to avoid the creation of any unnecessary barriers to e-commerce, and where regulations are necessary, they are least trade restrictive as possible,
- a commitment to transparency in the application, modification, or creation of any regulations affecting e-commerce, and
- an extension of the practice of not imposing customs duties on electronic transmissions.

The work program should also be used as a vehicle for discussing the benefits of e-commerce and market liberalization as well as the trade and regulatory environment needed to realize these benefits.

In addition, the US government is urged to stand firm in its view that all currently scheduled cross-border commitments apply to services delivered electronically including electronic delivery via the Internet.

II. Scheduled Commitments to Trade Liberalization to Promote E-Commerce

The liberalization of trade in services will expand the e-commerce marketplace and in turn drive substantial new investment in the modernization of essential infrastructures. It may also impel changes in regulatory environments to facilitate this expanded economic activity. Two types of services liberalization should be pursued to maximize growth in e-commerce.

First, to expand cross-border trade in services, Members should adopt an approach through which a critical mass of countries would assume unrestricted commitments for all services that use electronic commerce. Such commitments would of course be subject to existing GATS exceptions. The movement of natural persons with information technology skills is also related to the continued growth of electronic commerce. WTO member countries should be encouraged to increase commitments and eliminate exceptions to the movement of personnel.

Second, to secure further liberalization of services that are deemed essential to the "infrastructure" needed to facilitate e-commerce transactions, Members should make unrestricted commitments in a cluster of services that might include for example, advertising, business, computer related, telecommunications, distribution, financial, and express delivery services.

Industry is still working on identifying the specific elements of the "cluster approach" as a negotiating proposal. The proposal should be advanced in Geneva when its exact terms are agreed by the various industries that have a direct stake in it.